

North Carolina Energy Policy on Offshore Energy Development (Summary of Main Points Presented by Invited Speakers)

- *At present, North Carolina does not have a policy on offshore energy exploration or production of fossil fuels or alternative energy.*
- *Careful consideration should be given to environmental and economic impacts to onshore and offshore resources should North Carolina pursue oil and natural gas resources.*
- *Pursuing oil and natural gas exploration and production would likely not have the same economic impact or opportunities that could result from developing wind energy resources.*
- *North Carolina can capitalize on wind energy and should strive towards becoming an east-coast technology hub in the wind energy industry.*

John Morrison, Assistant Secretary for Energy in the North Carolina Department of Commerce presented on the role of offshore energy resources in State energy policy. Mr. Morrison discussed the State's opportunities for offshore wind energy development and how those opportunities interplay with State economic development. Mr. Morrison recounted his recent travels to a German City-State on the Baltic Sea where the number one tourist industry is offshore wind. He stated that 40% of the energy used in this area is derived from offshore wind resources. The offshore wind industry in this City-State is comprised of 38 companies that participate in wind energy development and that production capacity for wind energy equipment and materials is booked through 2011 and well into 2012. The employees who work in the wind energy industry include those who are skilled welders, crane and equipment operators, and supply chain managers who were retrained from different manufacturing industries to wind energy technologies.

Mr. Morrison proclaimed that North Carolina can capitalize on the same opportunities, and that other states are already moving forward with wind energy endeavors (Rhode Island, Massachusetts, New Jersey, Ohio, Texas, and Delaware). Mr. Morrison referred to the Duke Energy / University of North Carolina (UNC) Pilot Program underway in Pamlico Sound as an example of North Carolina's foray into this industry. He explained that North Carolina could serve as the wind energy technology hub for the Eastern seaboard. Yacht companies in the State that have been affected by the down economy could re-tool existing manufacturing processes to produce turbine blades, textile producers could enter the industry, and Nucor steel could become involved as well.

Mr. Morrison referred to the UNC Wind Study and stated that after certain areas are ruled out of consideration, and if the entire eastern portion of Pamlico Sound and large tracts in the federal OCS waters were installed with wind turbines, a total of 55 gigawatts of wind energy capacity could be generated. Mr. Morrison believes that pursuing oil and gas resources off the coast would not have the same economic impact and opportunities that could result from developing a viable wind energy industry in the State. *(November 19, 2009, Agenda Item III)*

Tim Toben, Chair of the North Carolina Energy Policy Council (Council) also discussed the role of offshore energy resources in shaping State energy policy. Mr. Toben described the past and current composition of and charges to the Council as amended by Session Law 2009-446 (House Bill 1481). Mr. Toben stated that the Council is considering offshore energy as a part of the State's overall energy policy and that natural gas exploration is a consideration both offshore and in the Pamlico Sound. It is Mr. Toben's opinion that there is danger in offshore drilling and that careful consideration of economic and environmental